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RUEAIIA/CIA WASHDC PRIORITY
RHMFISS/COMUSJAPAN YOKOTA AB JA PRIORITY
RUCPDOC/DEPT OF COMMERCE WASHINGTON DC PRIORITY
RHMFISS/DISA WASHINGTON DC PRIORITY
RUEATRS/TREASURY DEPT WASHDC PRIORITY
RHEHAAA/NSC WASHDC PRIORITY
RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY
RHEHAAA/WHITE HOUSE WASHDC PRIORITY

C O N F I D E N T I A L TOKYO 007179

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E.O. 12958: DECL: END OF US-JAPAN ALLIANCE
TAGS: PGOV PREL ECON JA
SUBJECT: ABE FACES YET ANOTHER CABINET SCANDAL AND
RESIGNATION

Classified By: Charge d'Affairs Joe Donovan for reasons 1.4 (b) and (d)

1. (C) For the second time in two weeks, Prime Minister Shinzo Abe has had to accept the resignation of a cabinet official forced to step down because of a scandal. Administrative Reform Minister Genichiro Sata resigned on December 26 in response to allegations that his political organization submitted false accounting records. Sata will continue to serve as a member of the House of Representatives. Abe confronted an additional scandal several days earlier when Tax Commission chief Masaaki Honma was forced to step down on December 21 over allegations he was living with a mistress in posh government housing. Japan Center for Economic Research Senior Advisor Yutaka Kosai will replace Honma.

12. (C) In a bid to mitigate opposition and ruling coalition criticism, Abe moved quickly on December 28 to appoint Yoshimi Watanabe to replace Sata. Watanabe, like many officials in the Abe cabinet, comes from a political family. The eldest son of former Foreign Minister Michio Watanabe, Yoshimi is known for not mincing words. He is considered somewhat of a lone wolf because he does not belong to any LDP faction. First elected to the House of Representatives in 1996, he is in his fourth term from the Tochigi Number 3 constituency. In 2001 he supported Jun'ichiro Koizumi's bid to become president of the ruling Liberal Democratic Party, but in 2003 made his own unsuccessful bid for the post. He has a reputation for running a well-managed office and he appears to be untarnished by any known scandals.

13. (C) Additional scandals may come to light in the coming weeks, according to multiple Embassy media interlocutors. Several political reporters predict that Chief Cabinet Secretary Yasuhisa Shiozaki could be hit by a series of

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scandals early in the new year. Two weekly magazines (Bunshun and Shincho) are reportedly preparing to report on a sexual harassment lawsuit filed by female campaign workers in Shiozaki's home district of Ehime. These reports could be followed by stories on a widely talked about affair Shiozaki

is having with the NHK's Kantei correspondent. The reporters predicted the revelations will lead to Shiozaki's resignation. If accurate, it could lead to additional problems for the Abe Administration.

DONOVAN